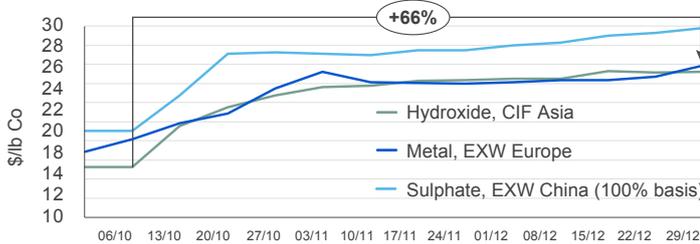


DRC IMPLEMENTS QUOTA SYSTEM FOR LIMITED NUMBER OF MINERS

Monthly DRC quota allocation in December 2025, tonnes Co



Cobalt prices Q4 2025, \$/lb



On 16 October, the DRC government began the implementation of export quotas for 21 different miners, from Q4 2025 through to the end of 2027.



Initially, the export quota for Q4 2025 was set at 18,125t Co, with 3,625t allocated to October, and 7,250t for November and December. However, miners have reported challenges in exporting material under this new system, with the first truck carrying cobalt reportedly leaving the DRC in January.



Due to delays, miners have indicated that ARECOMS has permitted them to roll over their Q4 2025 allocation into their Q1 2026 quota.



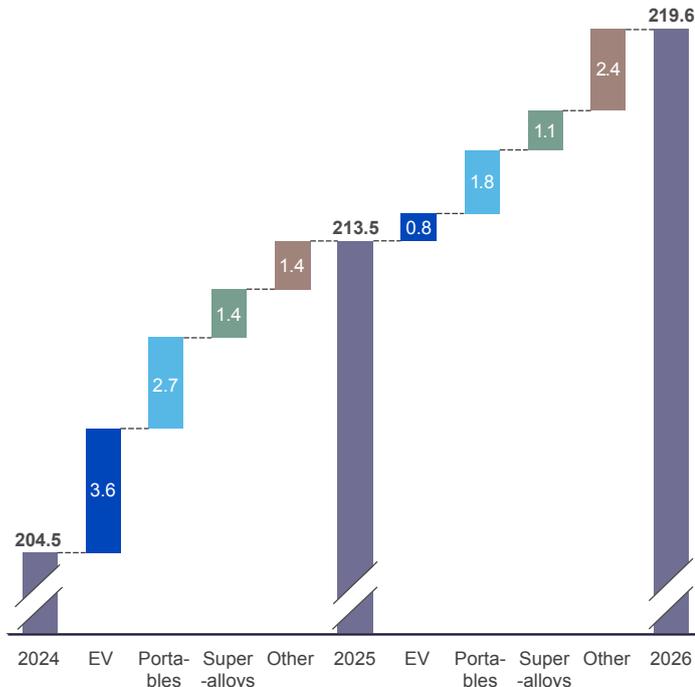
Due to the DRC's role as the largest cobalt producer, this led to an effective ex-DRC market balance of -53kt in 2025, including the additional strategic quota, with the deficit expected to grow further in 2026.



Estimates of cobalt demand have been down-graded, owing to a weaker US EV demand outlook following the removal of tax credits. Despite this, y-o-y growth is still forecast in 2025 and 2026, by 3% and 7% respectively.

THE QUOTA SYSTEM PRESENTS A RISK OF DEMAND DESTRUCTION IN 2027

Cobalt Demand** (2024-26), kt



Note: ** Demand unadjusted for supply chain lags.



Although the current quota system allows material from the DRC to supply the market once again, the supply remains insufficient to meet market demands. Given current stock and demand estimates, there is a risk of demand destruction moving into 2027.

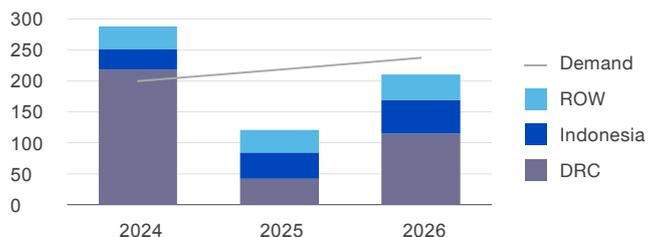


ARECOMS has announced it holds the authority to adjust the quota system on a quarterly basis, however, the extent to which the quota will be revised and how this will be communicated remains unclear.



Although supply from Indonesia is expected to grow further in 2026, it will not be sufficient to meet the gap left by the reduced DRC exports.

Effective global cobalt supply, kt Co



Note: * DRC volumes represent exports, not mine supply, 2025 & 2026.

Please do not hesitate to get in touch if you have any questions:

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